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October 15, 2014

VIA ECF AND ELECTRONIC MAIL

Honorable Robert P. Patterson
United States District Judge
United States District Court
Southern District of New York
500 Pearl Street
New York, New York 10007

Re: *United States v. Matthew Teeple*
S1 13 Cr. 339 (RPP)

Dear Judge Patterson:

We write in connection with the sentencing proceedings for defendant Matthew Teeple, which are set for Thursday, October 16 at 2:00 PM before Your Honor. While we respectfully disagree with some of the allegations and factual assertions about Mr. Teeple's conduct other than that to which he pled guilty that are set out in the Government's Sentencing Memorandum, we also recognize that now is not the time for factual disputes. Mr. Teeple has and will continue to accept responsibility for his conduct.

Instead, we write to address a number of other issues related to the sentencing proceedings, as follows:

1. Request to Allow Mr. Terry Teeple to Address the Court

The defendant's father, Mr. Terry Teeple, has asked us to request that Your Honor allow him to address the Court for a few minutes prior to imposition of sentence on his only son, Matt Teeple. Mr. Terry Teeple, along with numerous other family members and friends, will be traveling from California to attend the sentencing proceedings. Thus, I respectfully request the court's permission to allow Mr. Terry Teeple to address the Court prior to imposition of sentence. I have conferred with the Government regarding this request, and they do not object to this request.

2. Restitution

In an October 10, 2014 letter, counsel for Brocade Communications, Inc. requested that the Court order restitution from Mr. Teeple in an amount equal to the costs

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and attorneys' fees Brocade incurred in connection with cooperating with the USAO and the SEC in this matter. The figure cited in Brocade's original letter, \$178,723, represents the total costs and attorneys' fees incurred from the inception of the Government's investigation through the conclusion of co-defendant David Riley's trial on September 29, 2014.

Mr. Teeple does not disclaim liability to Brocade under 18 U.S.C. § 3663A. However, since Mr. Teeple saved the Government and Brocade considerable effort and expense by accepting responsibility for his misconduct and pleading guilty to Count 1 of the Indictment on May 28, 2014, we respectfully submit that Mr. Teeple should not be liable for attorneys' fees incurred by Brocade after the date of his guilty plea. In a follow up letter dated today, counsel for Brocade has confirmed that Brocade is not seeking restitution from Mr. Teeple for fees incurred after the date of his guilty plea. *See* Exhibit A hereto, October 15, 2014 Letter from Morris J. Fodeman. Further, Brocade has confirmed that the fees incurred up to the date of Mr. Teeple's guilty plea are \$127,598. *Id.*

Further, pursuant to 18 U.S.C. § 3664(h), we request that Mr. Teeple's restitution liability be limited to half of the costs and attorneys' fees incurred by Brocade through the date of Mr. Teeple's guilty plea. Such an Order would reflect the co-defendants' joint responsibility for Brocade's expenses through that date, and avoid a possible windfall to Brocade by both defendants paying the full amount of attorneys' fees incurred prior to May 28, 2014. In other words, we ask the Court to exercise its discretion and apportion liability for Brocade's fees for the period prior to Mr. Teeple's guilty plea equally between Mr. Teeple and Mr. Riley, since each defendant was responsible for causing Brocade to incur those fees. Significantly, Brocade has taken no position on how the Court chooses to apportion restitution in this matter. *Id.*

Therefore, we respectfully ask that the Court apportion liability between the co-defendants such that Mr. Teeple's restitution responsibility to Brocade totals \$63,799.

3. Schedule for Forfeiture Payments

Mr. Teeple faces a number of significant financial penalties including \$553,890 in criminal forfeiture (*see* PSR at 23) and restitution, as set out above in an amount to be determined by the Court. Considering that the Teeple family's current expenses are running at a monthly cash deficit of \$13,069 (*see* PSR at ¶ 80) and Mr. Teeple will have no real income during his term of imprisonment, we respectfully ask that the Court order that Mr. Teeple's forfeiture payments be paid in eight equal installments each quarter over the next two years. *See* 18 U.S.C. § 3664(f)(3) (granting the Court discretion to order financial penalties pursuant to a schedule of partial payments at specified intervals); 18 U.S.C. § 3572(d)(1) (same).

Thus, Mr. Teeple's forfeiture payments would be due on the first business day of each quarter. He could make his first forfeiture payment for this quarter by October 31, 2014, and then make seven additional payments on the first business day of each of the next seven quarters, beginning on or about January 2, 2015, and continuing through and

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including July 1, 2016 (for a total of eight payments). Each of these eight payments would be for one-eighth of the total forfeiture amount, specifically \$69,236.25.

In light of the needs of his wife and three young children while Mr. Teeple is incarcerated, we respectfully submit that such a payment schedule is reasonable and will assuage at least some of the intense financial stresses currently being experienced by the Teeple family.

4. Clarification

Because Mr. Teeple's plea agreement constrains him from seeking a sentence other than the Stipulated Guidelines Sentence in this matter and he will abide by that constraint, we also wish to clarify that any persons who requested a sentence below the Stipulated Guidelines Sentence in our video submission also speak for themselves, and not on behalf of Mr. Teeple.

Thank you for your consideration in this matter.

Sincerely,

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cc: Telemachus P. Kasulis, Esq. (via electronic mail)
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